



COUNTY OF LOS ANGELES
Internal Services Department

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Director

To enrich lives through effective and caring service.

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December 9, 2004

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael Antonovich

From: Dave Lambertson
Director

Subject: **HUMAN RELATIONS COMMISSION
HATE CRIME ASSISTANCE PROGRAM**

This memorandum is to provide some background on the December 7, 2004 Human Relations Commission (HRC) request to enter into contracts for Hate Crime Victim Assistance related services. The item was continued to December 14, 2004 (Item # 28).

During the discussion on December 7, 2004, ISD's role in the acquisition of services and the funding process for prior services was discussed. I would like to provide some clarification on this issue.

Acquisition of Services

In terms of background, as the Purchasing Agent, ISD has authority to issue Purchase Orders for services up to \$100,000, per vendor, per project. When a Purchase Order for any one vendor reaches the \$100,000 limit, we advise the applicable department that they must seek Board approval for any additional services.

In the case of the HRC's Board item, ISD first received requisitions to issue six separate Purchase Orders in September of 2002. At that time, we received the standard requisition forms, a copy of the April 2000 Board letter that first sought authority for this program and a request to handle the acquisition in an expedited manner given the immediate need for the services. The Purchase Orders were issued early in October 2002 with a limit of \$ 37,500 each, well within the \$100,000 limit.

Subsequently in the fall of 2003 HRC submitted requisitions to renew the Purchase Orders as the program was still ongoing. ISD processed these requests since the combined costs (i.e., total amounts of 2002 and 2003) of the Purchase Orders issued to each vendor were within the \$100,000 limit. We then advised HRC that they needed to seek Board approval for additional services since issuance of future Purchase Orders would put them over the \$100,000 limit. That was the basis of HRC's request to the Board on December 7, 2004.

Funding

It appears that there may be some misunderstanding as to ISD's involvement in terms of "funding" authority. Essentially, ISD cannot and does not provide funding or budget authority to any department or program through the Purchase Order process. A Purchase Order is simply a request for goods or services. As is the case with all Purchase Orders, ISD did verify that sufficient appropriation existed (i.e., through the County's encumbrance process) prior to releasing the Purchase Orders to the applicable vendors. In the case of the HRC Purchase Orders, the appropriation (i.e., funding) had already been established before the request for the Purchase Orders were forwarded to ISD.

Other Issues

At the time the ISD buyer processed the Purchase Orders, he did so with the understanding that HRC had not yet exercised the contracts they were authorized to in the April 2000 Board action and that they needed our assistance to get this done through the Purchase Order process.

Based on my review of the documentation submitted with the HRC's Purchase Order request, I believe that there was at least sufficient information to have caused ISD to perform additional research to confirm that no prior contracts had been executed. In addition, HRC should have specifically indicated this fact on their request. This is important because, although ISD is authorized to issue Purchase Orders for these services, as a matter of practice, we generally do not allow departments to use Purchase Orders after a Board contract has been established.

I have instructed my Purchasing manager to strengthen our controls in this regard. I have also discussed the above issues with Robin Toma of the Human Relations Commission. We have agreed to set up procurement and contract training for his staff.

Should you or your staff have any questions, please contact me or Joe Sandoval at (323) 267-2670.

DL:sg

c: ISD Board Deputies
Robin Toma